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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/727,776	12/04/2003	Rajendra Sureka	JP920030202US1	7071
7590 Frederick W. Gibb, III McGinn & Gibb, PLLC Suite 304 2568-A Riva Road Annapolis, MD 21401		12/05/2008	EXAMINER SHIN, MIN	
			ART UNIT 3688	PAPER NUMBER
			MAIL DATE 12/05/2008	DELIVERY MODE PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/727,776	<b>Applicant(s)</b> SUREKA ET AL.
	<b>Examiner</b> Min Shin	<b>Art Unit</b> 3688

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED. (35 U.S.C. § 133).

Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

1) Responsive to communication(s) filed on 12 August 2008.

2a) This action is FINAL.      2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

4) Claim(s) 1,4-10,13,16-22,25 and 28-34 is/are pending in the application.

4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.

5) Claim(s) \_\_\_\_\_ is/are allowed.

6) Claim(s) 1, 4-10, 13, 16-22, 25, 28-34 is/are rejected.

7) Claim(s) \_\_\_\_\_ is/are objected to.

8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All    b) Some \* c) None of:  
 1. Certified copies of the priority documents have been received.  
 2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

1) Notice of References Cited (PTO-892)  
 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)  
 3) Information Disclosure Statement(s) (PTO/SB/08)  
 Paper No(s)/Mail Date \_\_\_\_\_

4) Interview Summary (PTO-413)  
 Paper No(s)/Mail Date \_\_\_\_\_

5) Notice of Informal Patent Application  
 6) Other: \_\_\_\_\_

**DETAILED ACTION**

***Response to Amendment***

1. This Office Action is in response to the Response to the Office Action Filed on 8/12/2008. The applicant cancels claims 2, 3, 11, 12, 14, 15, 23, 24, 26, 35 and 36 and amends claims 1, 4-10, 13, 16-22, 25 and 28-34. Thus claims 1, 4-10, 13, 16-22, 25 and 28-34 are currently pending and have been considered below.

***Claim Rejections - 35 USC § 101***

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1 and 4-10 rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Based on Supreme Court precedent, a method/process claim must (1) be tied to another statutory class of invention (such as a particular apparatus) (see at least Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780, 787-88 (1876)) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing (see at least Gottschalk v. Benson, 409 U.S. 63, 71 (1972)). A method/process claim that fails to meet one of the above requirements is not in compliance with the statutory requirements of 35 U.S.C. 101 for patent eligible subject matter. Here the claims fails to

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meet the above requirements because the steps are neither tied to another statutory class of invention (such as a particular apparatus) nor physically transform underlying subject matter (such as an article or materials) to a different state or thing.

***Claim Rejections - 35 USC § 102***

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

5. Claims 1, 4-10, 13, 16-22, 25 and 28-34 are rejected under 35 U.S.C. 102(e) as being anticipated by Arganbright et al (US 6,980,962).

Claims 1, 13, and 25:

Arganbright discloses a method, a system and a program storage device implementing a method of automatically learning consumer behavior comprising steps of:

a. inputting a loaded share opportunity tree (SBO) comprising: a root node, child nodes, grandchild nodes, leaf nodes wherein promotional tool (specific category of item) is offered by the root node and accepted by the child/grandchild and leaf nodes (see

Figures 2-4 and 22; column 29, lines 50-59; column 31, lines 65-67; column 32, lines 1-14).

- b. obtaining data relating to all online transactions between the merchant, first customers, second customers, terminal customers and parent customers (column 15, lines 55-67) wherein the data contains past transactions (column 51, lines 23-34).
- c. selecting a particular transaction
- d. identifying a particular node associated with a particular transaction
- e. identifying a parent node and providing a specific promotion tool to a particular category of items for customers associated with the parent to a particular category of items for each customer associated with each descendent node (col 10, lines 54-65; col 27, 1-17; col 41, lines 30-39; col 51-lines 23-34).

Claims 4, 16 and 28:

Arganbright discloses a method, a system and a program storage device of claims 1, 13 and 25 as described above and further discloses providing compensation to each ancestor of customer that perform an online transaction with said merchant (column 30, lines 5-9).

Claims 5, 17 and 29:

Arganbright discloses a method, a system and a program storage device of claims 4, 16 and 26 as described above and further discloses wherein said

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compensation comprises a share of profit generated by said online transaction (column 2, lines 19-42).

Claims 6, 18 and 30:

Arganbright discloses a method, a system and a program storage device of claims 1, 13 and 25 as described above and further discloses wherein said data further comprises any of: demographics and acquaintances related to a customer (col 44, lines 56-63; col 59, lines 49-54).

Claims 7, 19 and 31:

Arganbright discloses a method, a system and a program storage device of claims 1, 13 and 25 as described above and further discloses wherein said redemption of promotional tool comprises any of: discount coupon, gift certificate, and freebies valid for particular category of items offered by said merchant (col 54, lines 50-56).

Claims 8, 20 and 32:

Arganbright discloses a method, a system and a program storage device of claims 1, 13 and 25 as described above and further discloses wherein said determining applicability of a specific promotional tool to a particular category of items comprises any of: correlation analysis, collaborative filtering and associated learning (col 51, lines 23-34).

Claims 9, 21 and 33:

Arganbright discloses a method, a system and a program storage device of claims 1, 13 and 25 as described above and further discloses comprising any of: determining pricing for items offered by said merchant; performing market segmentation of said customers; identifying preferences of said customers; performing marketing targeted at an identified market segment; and maximizing the potential success of a promotional tool (see Abstract; column 10, lines 14-21; column 30, lines 37-54).

Claims 10, 22, and 34:

Arganbright discloses a method, a system and a program storage device of claims 1, 13 and 25 as described above and further discloses providing incentives to said customer to acquire descended customers (col 30, lines 1-8).

***Response to Arguments***

6. The Applicant argues in the Response (p14) that Arganbright does not disclose a "tree" structure that may be analyzed to provide a specific promotional tool to particular category of items for customers. As mentioned above, Arganbright clearly discloses a "tree" or a nodal structure consisting of merchants, IBO (independent business owner), clients and members wherein the relationship is all interconnected. Arganbright uses term of *upline or down line* instead of *parents or child or grandchild* (col 32, lines 1-29). Further, whether the relationship structure is a "tree" or any other form (e.g. "web") is irrelevant. Any referral marketing method or system can be termed a

"tree" as long as one party extends its incentive or value to another party. The Applicant also argues that Arganbright does not disclose the method of selecting a particular transaction associated with a particular node, identifying the parent, and providing promotional tool to each of said parent node's descendent nodes based on the past transaction (response p15). Examiner notes that such method is disclosed by Arganbright inherently. Arganbright discloses using past buying habits to create profiles and offering particular category promotions to the customers (col 10, lines 54-65; col 51, lines 23-34). In order for any targeting or profiling to be performed in product marketing, a particular transaction or a customer is selected (the particular node), then it is compared to a similar customer or a transaction in a database (in this case the parent node), then an offer (the promotional tool) is determined and provided to other customers of similar background (child nodes). Online retailers have been doing it for years. Again, whether the relationship is a "tree" structure or not does not carry a patentable weight.

Applicant's arguments regarding claims 1, 4-10, 13, 16-22, 25 and 28-34 have been fully considered but they are not persuasive. However, new grounds of rejection was added (new 101 rejection), therefore the Action is NOT made Final.

### ***Conclusion***

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Min Shin whose telephone number is (571) 270-3463. The examiner can normally be reached on Monday-Friday 8:00am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jim Myhre can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

MS  
12/3/2008

/James W Myhre/  
Supervisory Patent Examiner, Art Unit 3688